

# GRANADA SANITARY DISTRICT

OF SAN MATEO COUNTY

455 Avenue Alhambra, #6 ~ P. O. Box 335 ~ El Granada, California 94018

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## **MINUTES** **BOARD OF DIRECTORS SPECIAL MEETING** **& REGULAR MEETING** **May 2, 2002**

### **SPECIAL MEETING**

**CALL TO ORDER:** The special meeting was called to order at 7:03 p.m. by Board President Bill Katke at the District Office in El Granada.

**ROLL CALL:** Attending Directors were: President Bill Katke, Vice President Leonard Woren, Treasurer Laura Stein, Secretary Fran Pollard, and Board Member Shawn McGraw.

Attending staff were: Legal Counsel Jonathan Wittwer and Administrator Gina Holmes.

### **ACTION AGENDA:**

1. Discuss/consider appointment of Lee Engdahl of Coldwell Banker Previews Realty as Real Property Negotiator: The following action was taken:

**Director Stein moved to approve appointment of Lee Engdahl of Coldwell Banker Previews Realty as Real Property Negotiator. (Stein/Woren, 5-0)**

### **ADJOURNED TO CLOSED SESSION AT 7:08 PM:**

2. Conference with Real Property Negotiator (Government Code Section 54956.8); Granada Sanitary District Negotiator: Lee Engdahl; Negotiating Parties: David Cresson and Granada Sanitary District; Under Negotiation: Offering bid to purchase/lease 504 Plaza Alhambra Avenue; Granada Sanitary District to instruct Engdahl as to price and terms of payment.

**RECONVENE TO OPEN SESSION:** The meeting reconvened to Open Session at 7:37 p.m. District Counsel Jonathan Wittwer announced that no reportable action was taken during the Closed Session.

### **REGULAR MEETING**

**CALL TO ORDER:** The regular meeting of the Board of Directors was called to order at 7:37 p.m. by Board President Bill Katke.

**ROLL CALL:** Attending Directors were: President Bill Katke, Vice President Leonard Woren, Treasurer Laura Stein, Secretary Fran Pollard, and Board Member Shawn McGraw. Attending staff were: Legal Counsel Jonathan Wittwer, Engineer Howard Hoffman, Administrator Gina Holmes, Assistant Administrator Delia Comito and District Clerk Leisa Bretz.

**PLEDGE OF ALLEGIANCE:** All present recited the Pledge of Allegiance.

**GENERAL PUBLIC PARTICIPATION:** The following members of the public addressed the Board:

Greg Antone, representing K.N. Properties: Spoke regarding the study session for the Urban and Rural Service Zones addressed at the April 29, 2002 Special Meeting. He felt that the item on the May 2, 2002 Agenda was not noticed properly and should not be placed at the end of the Agenda. The Board explained that the item on the May 2, 2002 Agenda was not on the Agenda as an Action item but, rather only to report that the study session had occurred. Mr. Antone indicated that he was satisfied with the explanation and left the meeting

Rachel Dewald, a resident of El Granada: Had a complaint regarding the Capital Improvement Project (CIP) work on Columbus Street. The Board directed her to contact District Staff in regards to her complaint. She distributed a letter and photographs showing some of the damage on her property. Director Woren advised her that the District's contract requires the contractor to return everything to its original condition once all of the work is completed.

**CONSENT AGENDA:** Director Stein held the following Consent Agenda items for discussion:

10. Approval of payments from Bond Administration fund totaling \$25,483.07 (Laster \$10,071.25; U.S. Bank \$2,088.70; Wittwer \$13,323.12)
11. Approval of press release to be sent to newspapers and a letter to SAMCAR addressing Ordinance No. 139

Director Woren held the following Consent Agenda items for discussion:

9. Approval of warrants totaling \$ 265,374.36 (Ck # 3337 to # 3360)
14. Approval of removing Director's Names from the CIP Signs

District Administrator Gina Holmes stated that Consent Agenda item #14 was being withdrawn from the Consent Agenda and recommended that it be tabled when it came up for consideration on the Action Agenda.

**Director Stein moved to approve the following Consent Agenda items (Stein/Woren, 5-0):**

1. Approval of meeting minutes for January 17, 2002 (Tabled 4/4/02)
2. Approval of meeting minutes for March 7, 2002 (Tabled 4/4/02)
3. Approval of meeting minutes for March 21, 2002 (Tabled 4/4/02)
4. Approval of meeting minutes for April 4, 2002
5. Approval of January Financial Statements (tabled 3/21/02)
6. Approval of February Financial Statements (tabled 3/21/02)
7. Approval of March Financial Statements
8. Approval of warrants totaling \$ 43,218.48 (Ck # 3315 to #3336)
12. Approval of ratification of the Sound System Committee
13. Approval of Agreement with San Mateo County Public Works: "Adjustment of Sanitary Sewer Manholes and Sanitary Sewer Flushing Inlets in Conjunction with Resurfacing Various Roads [Ave. Alhambra, Ave. Cabrillo, Capistrano Rd. and Prospect Way], El Granada and Princeton by the Sea
15. Approval of January and July as months for Ordinance No. 139 Variance application consideration.

**President Katke indicated that the Consent Agenda items held for discussion would be moved to the end of the Action Agenda.**

**ACTION AGENDA**

16. Discuss/consider approving Variance application for O'Hara/Navarro: APN 048-022-360; 310 Magellan Avenue; Parcel size 8788 sq.ft.; Zone District R-1/S-9; President Katke explained that Mrs. Navarro had approached him as member of the public, indicating

that she needed a variance under Ordinance No. 139 Variance and a sewer permit on an expedited bases. He stated that two lots had been merged to form the parcel. After a short discussion the following action was taken:

**Director Stein moved to approve the Variance application for O'Hara/Navarro: APN 048-022-360; 310 Magellan Avenue; Parcel size 8788 sq.ft.; Zone District R-1/S-9 based on making the District's required findings for a sewer permit variance. (Stein/Woren, 5-0)**

17. Discuss/consider issuance of a Class IA Sewer Connection Permit: O'Hara/Navarro: APN 048-022-360; 310 Magellan Avenue; Parcel size 8788 sq.ft.; Zone District R-1/S-9:  
The following action was taken:

**Director Stein moved to approve the issuance of a Class IA Sewer Connection Permit: O'Hara/Navarro: APN 048-022-360; 310 Magellan Avenue; Parcel size 8788 sq.ft.; Zone District R-1/S-9, as the required findings for a sewer permit could be made and that a variance had been granted. (Stein/McGraw, 5-0)**

18. Presentation of proposal for filling the District General Manager Position by Chuck Duffy of Dudek and Associates, Inc.;
19. Interview candidate Chuck Duffy for General Manager Position:  
These items were postponed until after Items #20 and #21.

The Board continued with Action Agenda items #20 & #21.

20. Presentation of proposal for filling the District General Manager position by Brad Kerwin, former General Manager of the City of Brisbane;
21. Interview candidate Brad Kerwin for General Manager position:  
Mr. Brad Kerwin reviewed his work experience and resume materials provided in the Agenda packet along with his contract for consulting services, a proposal for services and a biography. He stated that he could get "a handle" on the Assessment District bond issues, which are important to the District. He added that it was difficult to suggest the scope of work due to all of the unknowns. He felt that the Board had two options:  
*Option 1:* Retain him as a temporary general manager. He would take on the normal duties of a general manager and focus on identifying the problems within the District. His goal would be to set up operating systems so that he would not be needed in the office 100% of the time. He indicated this could be a part-time or a contract general manager position. At minimum, he would provide recommendations to the Board.  
*Option 2:* Focus on the clean-up of the financial issues until the Assessment District Bonds are refunded. Mr. Kerwin indicated that he was not interested in a permanent position or in being a full time employee of the District. He was more interested in problem solving only. Mr. Kerwin then fielded questions from the Board. He quoted a rate of \$160.00 per hour for his services. After some discussion between him and the Board, President Katke asked for a closing statement. Mr. Kerwin stated that he appreciated the opportunity to apply for the position and indicated that as someone in the Bay Area he could provide the hands-on management the District needed at this time. The Board thanked Mr. Kerwin for the interview. No action was taken at this time.

President Katke called a short recess. After the break, President Katke reconvened the meeting and introduced the next candidate for General Manager.

18. Presentation of proposal for filling the District General Manager Position by Chuck Duffy of Dudek and Associates, Inc.;
19. Interview candidate Chuck Duffy for General Manager Position:

Mr. Duffy, a District General Manager for Dudek and Associates, Inc. discussed his background in management working primarily for community service districts which provide sewer service and landscape maintenance. He is also the contract manager of a sanitation district, which operates several treatment plants. Mr. Duffy indicated that he has also been involved with the formation of three finance districts. He would utilize various contract engineers and bond counsel as needed to assist with the Integrated Financing District issues. Mr. Duffy's scope of services to handle the Assessment District would include that of a district general manager, bond refunding issues, operations, potential conversion to a community services district, budget and capital projects management and treatment plant facility. He advised the Board that 16 hours per week would be needed to start and would be less face to face as time goes on. His contract term could be three to six months, which may be terminated at anytime. His hourly rate is \$120.00 per hour, plus travel costs. Contractor services would be additional. After Mr. Duffy answered several questions from the Board, President Katke asked for his closing statement. Mr. Duffy indicated that he would put the District in order, and once operating properly, his job would be done. No action was taken at this time.

22. Discuss/consider approving extension of separate line Sewer Connection Permit #2797 #2789; Russi; APN: 047-251-100; Avenue Alhambra: District Administrator Gina Holmes reviewed the background of this item. Mr. Impink, the designated agent of the parcel owner, was requesting an extension on sewer permit #2789, which expired in March of 2002. After some discussion the following action was taken:

**Director Pollard moved to deny the request for the extension of separate line Sewer Connection Permit #2797 #2789; Russi; APN: 047-251-100; Avenue Alhambra. Director Woren requested an amendment to Director Pollard's motion to add that the District is to immediately notify San Mateo County that there is no sewer permit issued on the project. Director Woren also requested an amendment that the District refund fees as recommended by the District Administrator and that District Counsel Jonathan Wittwer be directed to draft a resolution or an ordinance to refund the in-lieu of occupancy and transfer mitigation fees at a 100%. The amendments were accepted by the maker. The other permit fees are to be refunded according to District policy. Director Pollard accepted the amendment to her Motion and Director Woren seconded the Motion. (Pollard/Woren, 5-0)**

There were no members of the public, applicants, or representatives of the applicant present to address the Board regarding the Russi permit extension agenda item.

At this time, President Katke called a short recess, and reconvened the meeting after the break.

23. Discuss/consider selecting and Approving hiring of District Manager: Board Members in turn conveyed their thoughts regarding each candidate for the position. After some discussion, there was a general sense of the Board that Mr. Duffy was the preferred candidate. The following action was taken:

**Director Stein moved to hire Dudek and Associates, Inc., specifically Chuck Duffy, at \$120.00 per hour as temporary Interim Manager for a period of three months. Mr. Duffy's first task is to provide a job description within 30 days, and his fee is not to exceed \$30,000, including travel expenses. District Staff was directed to return with a budget amendment to fund the cost of Mr. Duffy's services and to notify Mr. Duffy of the Board's decision. (Stein/McGraw, 5-0)**

**At 10:03 p.m. Director Stein moved to extend the meeting to 10:30 p.m. (Stein/McGraw, 5-0)**

The Board returned to the Consent Agenda items held for discussion earlier in the meeting.

**CONSENT AGENDA:**

9. Approval of warrants totaling \$ 265,374.36 (Ck # 3337 to # 3360): Director Woren indicated that he held this item due to the issuance of check #3351, payable to Board President Bill Katke for reimbursement of a lunch expense with general manager candidate Brad Kerwin. The issue came up at the previous board meeting and it had been decided that these types of expenses would first be approved by the Board, which was not done in this case. After some discussion, the following action was taken:

**Director Stein moved to approve warrants totaling \$ 265,374.36 (Ck #3337 to #3360) (Stein/McGraw, 4-1) Woren**

10. Approval of payments from Bond Administration fund totaling \$25,483.07 (Laster \$10,071.25; U.S. Bank \$2,088.70; Wittwer \$13,323.12): Director Stein held this item as she was interested in seeing the itemized bill, but had since located it. The following action was taken:

**Director Stein moved to approve payments from the Bond Administration fund totaling \$25,483.07 (Laster \$10,071.25; U.S. Bank \$2,088.70; Wittwer \$13,323.12). (Stein/Pollard, 5-0)**

11. Approval of press release to be sent to newspapers and a letter to SAMCAR addressing Ordinance No. 139: Director Stein indicated that she had pulled this item to suggest that Cummings Walker, the consultant and publisher of the recently approved District newsletter, review and translate the press release to simplify the communication. The draft press release had been drafted by District Counsel Jonathan Wittwer and District Engineer Howard Hoffman. After some discussion the following action was taken:

**Director Stein moved to approve to have Cummings Walker review the press release along with a draft letter to SAMCAR. The release may possibly be an article in the forthcoming newsletter. (Stein/Pollard, 5-0)**

14. Approval of removing Director's Names from the CIP Sign:

**Director Woren moved to indefinitely table this item. (Woren/McGraw, 3 yes, 0 no, 2 abstention, Pollard and Katke)**

24. DIRECTORS' COMMENTS AND COMMITTEE REPORTS: Director Stein felt that there had not been sufficient notice given to the public regarding the special meeting study session for the Urban and Rural Service Zones. There was continued discussion between the Board members. District Administrator Holmes distributed a draft letter noticing interested parties of the next regular Board meeting to be held on May 16, 2002, where the Board will consider a vote to approve an Ordinance adopting required definitions of Urban and Rural Service Zones.

**At 10:36 p.m Director McGraw moved to extend the meeting to 11:00 p.m. (McGraw/Stein, 5-0)**

Director Woren reported on the April 22, 2002 Sewer Authority Mid-Coastside Meeting, announcing that two awards had been given to SAM for safety; he provided an update on the status of the SAM budget and the Walker Tank project, and mentioned a presentation given by the general manager of the Coastside County Water District regarding CCWD'S feasibility study regarding reclaimed water.

Director McGraw announced the California Regional Water Control Board outreach program on pollution, which provided involvement with high school students.

President Katke reported on the special meeting study session held on April 29, 2002 regarding the Urban and Rural Service Zones. Attending that meeting with the Board was District Counsel Jonathan Wittwer, Kathryn Slater-Carter and Paul Perkovic from Montara Sanitary District.

#### **INFORMATION CALENDAR**

25. Administrator's Reports: District Administrator Holmes advised that the letter distributed earlier in the meeting regarding Urban and Rural Service Boundaries would be mailed to all interested parties.

**At 11:05 p.m. Director McGraw moved to extend the meeting for an additional 15 minutes. (McGraw/Pollard, 5-0)**

26. Engineer's Report: District Engineer Howard Hoffman reported on the recalculation of the Non-Contingent Assessment, provided an update on the current Capital Improvement Project (CIP) with completion expected in June 2002, and announced completion of the CIP work on Capistrano Road. The County test of the ground water flowing next to the mainline on Capistrano Rd. was negative.
27. Attorney's Report: District Counsel Jonathan Wittwer distributed two letters, one from the law firm of McCracken & Byers, on behalf of David Hodge, an applicant requesting exemption from Ordinance No. 139, and two, a letter from the Harbor District. He also advised the Board that he had sent a letter to Steve Perkins, an applicant requesting exemption from Ordinance No. 139, who had responded that he was working to obtain a CDP. He added further that the Amicus Brief deadline is 5/3/02, in the Gardner v. County of Sonoma litigation in which the Granada Sanitary District was participating.
28. Set Future Agenda: District Administrator Holmes recommended that the future agenda be limited to the consideration of approving an Ordinance to designated Urban and Rural Service Zones. The future meeting will be held at the El Granada School Multi-Purpose room to accommodate the anticipated interested public members. Following are the additional items tentatively placed on the next agenda: Approval of the General Manager contract, an item to allow for public input on the proposed District acquisition of the Cresson Building, and a Closed Session for the Board to direct the real property negotiator. This particular item may require a special meeting.

**Director McGraw moved to adjourn. (McGraw/Stein, 5-0) The meeting adjourned at 11:26 p.m.**

Submitted on: May 16, 2002

Approved on: June 6, 2002

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SUBMITTED & TRANSCRIBED BY:  
Leisa Bretz, District Clerk, as dictated  
by Delia Comito, Asst. Administrator

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APPROVED BY:  
Fran Pollard, Board Secretary